

## Executive Summary

Algonquin Energy Services, Inc. ("Algonquin") is pleased to have the opportunity to respond to the Request for Proposals for Standard Offer Service in Maine Public Service Company's service territory dated September 14, 2010. As a current Standard Offer Service Provider and CEP in Maine, we are confident that you will find our offer for Standard Offer Service in compliance with your specifications for financial backing and power marketing experience.

### Bid Document

#### 3.1 License

Algonquin is a Maine Licensed Competitive Electricity Provider, effective December 18, 2009 under MPUC Docket Number 2009-408.

#### 3.2 Financial Security

Included is the most recent credit rating from each rating agency that has issued a rating for the guarantor.

Included is a copy of the 2009 audited financial statements.

#### 3.3 Included is a signed Statement of Commitment by Ian Robertson, Chief Executive Officer of Algonquin Power Company.

#### 3.4 Algonquin has completed the mandatory electronic business transaction (EBT) training and testing and has satisfied this requirement and is proficient at EBT.

#### 3.5 Algonquin's indicative Standard Offer Bid contains pricing with the following contingencies:

- a) Pursuant to Section 16.1(b) of the proposed Standard Offer Provider Standard Service Agreement, the Base Security provided by Algonquin to Maine Public Service Company will decline during the Term of Service.
- b) Increased Costs Associated With Change in Law. If the Maine legislature or the Commission enacts, promulgates, adopts, alters, modifies or waives<sup>1</sup> any law, rule or regulation that relates directly to the provision of standard offer service or the provision of competitive electric service in general after the date hereof (a "Change in Law") and such Change in Law materially increases the Provider's cost to provide standard offer service, Provider shall recover such increased costs in accordance with

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<sup>1</sup> Except for opt-out fee waivers granted by the Commission pursuant to its January 24, 2001 "Order Adopting Rule and Statement of Factual and Policy Basis" (Docket No. 2000-904).

paragraph (a) or paragraph (b) below, as applicable. Provider shall provide the Commission and, if applicable, the Maine Legislature with a calculation of its increased costs as soon as practicable after becoming aware of a Change in Law or consideration by the Commission or the Maine Legislature of a Change in Law. (a) If the Commission finds that Provider's calculation reasonably reflects its increased costs, the Commission shall increase the price of standard offer service paid by retail standard offer customers at the time a Change in Law becomes effective so that Provider recovers increased costs in accordance with Provider's calculation. (b) If the Commission does not find that Provider's calculation reasonably reflects its increased costs, the Commission may increase the price of standard offer service paid by retail customers such that the Provider recovers increased costs in accordance with the Commission's calculation. In this event, Provider may invoke binding arbitration of the increased cost amount by notice to the Commission. Any such arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except as otherwise provided herein. A final arbitration decision shall be rendered no later than ninety (90) days after the date on which Provider provides notice to the Commission that it has invoked arbitration. To the extent the arbitration panel finds that a change in law has increased the Provider's costs and that the Provider is entitled to a corresponding increase in the price of Standard Offer Service, the arbitration panel will have the authority to award the Provider a liquidated amount payable for service already provided at the increased cost and to award the Provider an increase in the price of standard offer service to be provided for the balance of the standard offer term sufficient to permit the Provider to recover such increased cost.

Notwithstanding the foregoing, if upon receipt of reasonable prior direct notification of a proposed Change in Law, the Provider fails within the time prescribed in such notice to inform the Maine Legislature or the Commission, pursuant to applicable procedures identified in such notice, of the impact that a Change in Law under consideration would have on Provider's cost to provide standard offer service, Provider shall not be entitled to cause the Commission to undertake action with respect to its increased costs or to engage in arbitration proceedings with respect thereto as provided in clause (a) or (b) above.

3.6 Alternative Terms, Language – None at this time

3.7 Pricing – See attachment